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E.O. 12958: N/A

TAGS: <u>BEXP</u> <u>ETRD</u> <u>ETTC</u> <u>RS</u>

SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: KBP, TULA,

RUSSIA, LICENSE NO. D385646

REFTEL: USDOC 09562

- 11. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.
- 12. Reftel requested a Pre-license check to determine the legitimacy and reliability of the end-user, KBP Instrument Design Bureau, Tula, Russia. The company is listed on BIS license application D385646 as the ultimate consignee of PCB Router Software Design L Package; AVD Option to Base Allegro PCB Router Software; DFM Option to Base Allegro PCB Router Software; HP Option to Base Allegro Software; and maintenance and support of allegro software. These items are controlled for missile technology and antiterrorism reasons under ECCN 3D991. The licensee is Cadence Design Systems Inc., 270 Billerica Road, Chelmsford, MA 01824.
- 13. On December 21, 2007, Export Control Attache Peter Liston and FSN Natalya Shipitsina conducted the requested pre-license check at the offices of KBP Instrument Design Bureau, Scheglovskaya zaseka, Tula, Russia. The export control team met with Gennady Kolesnikov, Head of Medical Equipment Department.
- 14. The KBP Instrument Design Bureau is one of the leading design companies in the Russian defense industry. It has developed over 140 models of weapons and military equipment, which were put into series production and introduced in service with the Russian Army. At present KBP represents a high-capacity research and production center that creates the state-of-the-art precision-guided weapons. Technical solutions embodied in the KBP developments incorporate over 5000 inventions.

KBP carries out the development of weapon systems along the following lines:

antitank missile systems and assault armaments; weapon systems for main battle tanks and lightly armored vehicles; guided artillery projectiles and guided missile systems; short-range air defense systems; gun armament and associated ammunition; combat small arms; hunting and sporting guns.

15. KBP Instrument Design Bureau has gained extensive

experience in the development and production of conversion products based on dual technologies. This refers, mainly, to quantum electronics. Following the recommendations of the leading Russian medical laser experts, KBP has designed a new generation of Lancet laser surgical devices with the parameters surpassing foreign counterparts.

- 16. The Cadence Design Systems Inc. software package subject to the above state license is intended for use by KBP Instrument Design Bureau in the design of medical equipment for laser surgery, which is consistent with the subject's business.
- 17. Recommendations: Post recommends KBP, Tula, Russia, as reliable recipients of sensitive U.S. origin commodities. It is requested that post be notified of final disposition of the application, and of any shipments for this organization in order to conduct appropriate FCS follow-up and statistical reporting. (FCS MOSCOW/JKITSON/PLISTON) BURNS